

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7061

Joint Petition of Matrix Telecom, Inc. and)
Global Crossing Telecommunications, Inc., for)
Approval of a Sale of Assets)

Order entered: 5/4/2005

I. INTRODUCTION

On March 25, 2005, Matrix Telecom, Inc. ("Matrix"), and Global Crossing Telecommunications, Inc. ("Global") (collectively "Petitioners"), jointly filed a Telecommunications Merger and/or Acquisition Request for Approval Form ("Petition") requesting authority from the Vermont Public Service Board ("Board"), pursuant to 30 V.S.A. §§ 109 and 311, for the acquisition of a portion of Global's assets by Matrix.

On April 26, 2005, the Vermont Department of Public Service ("Department") filed a letter with the Board recommending the Board approve the transaction because it would not detrimentally impact Vermont consumers or cause them inconvenience or confusion. The Department further recommended the Board approve the Petition without further investigation or hearing.

The Board has reviewed the Petition and the accompanying documents and agrees that approval should be granted without hearing.

II. FINDINGS OF FACT

Based upon the Petition and accompanying documents, we hereby make the following findings of fact.

1. Matrix is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good (CPG No. 107) granted by the Board on September 3, 1992. Petition at 1.
2. Global is authorized to provide telecommunications services in Vermont pursuant to

an Amended Certificate of Public Good issued by the Board on June 22, 2000.¹ Petition at 1.

3. Pursuant to an asset purchase agreement, Matrix will purchase assets relating to Global's Small Business Group. Following the sale, Matrix will serve the Small Business Group customer base, and Global will continue to serve the customers not previously associated with the Small Business Group. Petition at 1.

4. No changes to the rates and services offered to Global's customers are contemplated. Accordingly, the transactions will not cause any inconvenience for Vermont consumers. Petition at 2-3.

5. The proposed transaction will allow Matrix to realize significant economic and marketing efficiencies which should allow the company the opportunity to strengthen its position in the Vermont telecommunications marketplace, thereby, strengthening competition for telecommunications services and promoting the public interest. Petition at 3-4.

III. DISCUSSION

The proposed transaction requires approval by the Board under 30 V.S.A. §§ 109 and 311. The statutes condition approval of a merger upon a finding that the merger or sale of assets will promote the public good (30 V.S.A. § 109) and will not obstruct or prevent competition (30 V.S.A. § 311). These standards are met in this case.

Pursuant to 30 V.S.A. § 109, "a foreign corporation subject to the jurisdiction of the [Board], shall not make a sale . . . in any one calendar year constituting ten percent or more of the company's property located within this state . . . nor merge nor consolidate . . ." without approval of the Board. 30 V.S.A. § 311 states that "[a] consolidation or merger . . . shall not become effective without the approval of the [Board] . . ." In order to approve the sale of assets, the Board must first find that it will "promote the general good of the state." 30 V.S.A. § 109.

After reviewing the Petition, we conclude that 30 V.S.A. §§ 109 and 311 apply to the sale of certain assets of Global, which is a certificated telecommunications carrier in Vermont. We further conclude that the asset sale to Matrix will not cause undue inconvenience for Vermont customers and allow Global's customers to continue uninterrupted service. The sale of certain

1. The initial CPG (CPG No. 204) was issued under the name of Allnet Communications Services, Inc., on October 10, 1995. The name change to Global was approved by the Board in Docket No. 6367, issued on June 22, 2000.

assets, therefore, will promote the public good. For all of these reasons, we conclude that the proposed transaction meets the standards set forth in 30 V.S.A. §§ 109 and 311 and should be approved.

IV. CONCLUSIONS

The sale of certain assets of Global should be approved because the transaction will promote the public good of the State of Vermont and will not result in obstructing or preventing competition. 30 V.S.A. §§ 109, 311.

V. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The sale of certain assets of Global Crossing Telecommunications, Inc., to Matrix Telecom, Inc., will promote the public good and, therefore, is approved.
2. Petitioners shall file a letter notifying the Board of the completion of the transaction within one week of such completion.
3. Matix Telecom, Inc., shall file a proposed tariff for its and Global Crossing Telecommunications, Inc.'s intrastate services within 30 days of this Order.
3. A Certificate of Consent to the sale of certain assets of Global Crossing Telecommunications, Inc., to Matrix Telecom, Inc., shall be issued.

Dated at Montpelier, Vermont, this 4th day of May, 2005.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: May 4, 2005

Attest: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.